duty on matches manufactured in the State and to pay the proceeds thereof into a common pool, along with the proceeds of the British Indian duty for ultimate distribution between British India and Indian States on the basis of population. It will thus be seen that this is an item of revenue the increase or decrease of which is not dependent on the collection but on consumption and therefore on the population of the State.

The decrease under 'Abkari and Ganja' (Rs. 21,300) as compared with the revised estimate of Rs. 10,21,300 is mainly due to the safer anticipation made of the revenue under the head.

I may add that the further instalments of the 3½ per cent loan due from subscribers are budgetted for in the coming year and a receipt of Rs. 15 lakhs has been duly estimated.

DISBURSEMENTS.

The demands of the several departments for expenditure during the next year have been carefully scrutinised both by the Government and the Standing Finance Committee and the grants have been fixed after careful and anxious consideration of the requirements of the various departments in the order of their urgency, utility and importance. The total expenditure thus provided for in the budget estimate for the coming year is Rs. 100·92 lakhs which is no doubt less than the revised estimate of the current year by Rs. 3·22 lakhs. I shall now proceed to deal with the more important items.

Government have been most earnestly engaged in the work of rural reconstruction for years past and in recent years they have accelerated the progresss of the work of the departments engaged most primarily in these activities, viz., Agriculture, Co-operative, Panchayat and Public Health Departments. By a proper co-ordination of their activities Government are gratified to note that the work of rural development has grown a pace both extensively and intensively, though not without disappointing failures also.

The **Agricultural Department** has been operating for the improvement of the position of the cultivator by research, by propaganda and by advances. An enquiry is afoot on the marketing facilities of the various staple crops and on its completion substantial results are hoped to be achieved. The work of constructing the Research Laboratory and equipment of the same has been completed; necessary provision has been made

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for conducting intensive propaganda by means of rural exhibitions, for demonstration in ryots' lands, and for supply of seeds, manure, etc., in those rural areas; the scheme of veterinary aid to livestock is further extended and itinerating dispensaries are continued and new ones opened; for cattle breeding more allotment has been made; the question of improving cattle breed by eliminating inefficiency is under contemplation.

The **Co-operative Department** continues its useful work. It has taken up in earnest the improvement of poultry farming for which a trained Poultry Inspector is proposed to be appointed to organise poultry farming in villages in a scientific manner; with a view to encourage the rural societies the schemes of giving grants to supervising unions is continued; by way of their further development three clerks are proposed to be given to three of the major societies; besides a subsidy of Rs. 1,500 is also proposed to be granted to them by way of experiment.

Panchayats too get the usual allotments for their various rural activities. The number of Ayurvedic Vaidyasalas is proposed to be increased; liberal provision has been made for encouraging snake-bite treatment; the maintenance and extension of rural communications, the requirements in respect of their water supply and of their sanitation and conservancy continue to engage the earnest attention of the Government and wherever necessary, additional allotments have been provided. A few more group courts are proposed to be started in the coming year as such courts are found popular for settlement of petty cases in rural areas.

Public Health.—In the work of village uplift the activities of the Public Health Department have also expanded in several directions. The maternity and child-welfare scheme including supply of milk is developing rapidly; more Health Centres are proposed in the coming year; Health Visitors are being trained in the special work of maternity and child-welfare; educational propaganda by films and lectures is being conducted on a wider scale; for these, an allotment of Rs. 15,000 has been proposed to be set apart from the special grant allowed in memory of His Excellency the Viceroy's visit to the State, thereby bringing the grant for the purpose up to Rs. 69,000 at the end of 1112. The system of medical aid through rural medical practitioners is maintained. More than all, a special doctor has been appointed to attend to epidemics exclusively and anti-malarial operations

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are proposed to continue. A new provision of Rs. 3,500 has been made for introducing municipal administration in Irinjalakkuda.

If we add to these activities of the Government in the way of rural uplift, the revival of the decadent village industries which the Industries department is now attempting on a small scale and the spread of primary education coupled with the introduction of more libraries in village schools proposed next year, I think that the scheme of rural reconstruction launched by Government would show the progress it makes.

Palace.—Though according to the revised Palace Scheme, the contribution to the Palace had been fixed at Rs. 7·50 lakhs, it has been found possible to provide for the coming year a provision of Rs. 6·95 lakhs alone the same as in the current year, the Government being constrained to withhold the contribution for Reserve Fund in view of the existing financial condition of the State and in view of the fact that large funds have to be provided for Palace buildings as well.

Matches.—The contribution to the Government of India for the coming year is fixed at Rs. 1,91,700 after deducting the working expenses amounting to Rs. 8,300 from the collection of Rs, 2,00,000 that has been estimated under 'Matches—Sale proceeds of banderols'.

Forests and Tramway.— Though the budget estimate under 'Tramway' falls short of the revised estimate of Rs. 1,75,000 by Rs. 15,500, it includes capital charges amounting to Rs. 68,100 proposed for the completion of the scheme of renewal of rails and urgent repairs to the permanent way and bridges. Our Forest department and the Anamalai Timber Trust together are sure to give sufficient work to the department for a few more years to come and hence the renewals were programmed for. Opportunity was also taken to utilise the released rails of the Shoranur-Cochin Railway meter-guage which were found quite suited for our purpose with the additional advantage of low price. The maintenance charges alone come to Rs. 91,400 only which, deducted from the anticipated receipts of Rs. 1,49,100 results in a net revenue of Rs. 57,700.

Under 'Forests' we propose to spend in the coming year Rs. 2·69 lakhs while the receipts anticipated come to Rs. 3·58 lakhs thus leaving a margin of Rs. ·89 lakhs.

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General Administration.— The Secretariat underwent important changes consequent on the reorganisation announced during the budget session of the Council last year. The taking over of the Paliam Estate for management by Government necessitated the formation of another department in the Secretariat, viz., Estate Department with a Superintendent and two clerks though the cost thereof is to be recovered from the Estate and credited to the appropriate head. Provision has been made for the Law Commission appointed in the course of the year only up to the termination of their sanctioned period of one year in Dhanu 1112. The lump provision of Rs. 1,400 made in the current year for the compilation of the Record of Administration was not utilised and hence it is reprovided for in the coming year.

Under 'State Loan' has been made the necessary provision for meeting the cost of issue of bond forms for the new loan and for replenishing the stock of bonds of the old loan which has run out.

Accounts and Finance— The only new features of the estimate under this head are the strengthening of the inferior establishment by two hands and the provision made for the continuance of the temporary establishment of a Superintendent and 3 Auditors, which was created in the course of the year to clear off arrears in local audit, for the remaining period of 3 months and odd in the coming year. The provision made in the current year for the training of an auditor in Railway accounts was not utilised as the arrangements for his training could not be completed in the year and it has therefore had to be repeated in the coming year.

Law and Justice.—Except the discontinuance of the term of the temporary Additional District Judge and staff and the strengthening of the establishment of the District Magistrate's Court, there is nothing noticeable here.

Police.—The scale of pay of the Commissioner of Police has been reduced. One of the Inspectors trained in C. I. D. work has been designated as Assistant Superintendent of Police and the temporary establishment of the Harbour Police staff is continued. A special feature of the Police budget is the provision of Rs. 10,000 for strengthening the Police force which is reported to be inadequate.

Education.—For the coming year we have budgetted for a total expenditure of Rs. 18,00,600 under 'Education'—the largest

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so far on record. No department in the State has exhibited such a rapid growth of expenditure as this. No doubt, this only shows the rapid strides the State is making in fulfilling one of its most primary obligations to the people in the spread of the three R's; it is also a matter of immense satisfaction that, without any compulsion, primary education may be said to have become almost universal in the State. But, while taking no backward step which would retard this welcome progress of education, I think the time has now come to devise ways and means of controlling the growth of expenditure on 'Education' which has assumed such alarming proportions compared to the inelastic revenues of the State. Various committees have held deliberations on 'Education'; but no tangible proposals of retrenchment have come from these bodies. Government propose to go into this question more deeply in the near future.

The Office of the Director of Public Instruction has been strengthened; under 'Collegiate education' the staff of the Maharaja's College has been increased; a grant of Rs. 3,000 is proposed for the laboratory equipment of the St. Thomas' College; a new fully developed High School has been opened at Pazhanji and the necessary extra staff appointed; a new music school has also been opened attached to the V. G. School. Further, it is proposed to assume management of certain private aided schools in the coming year and necessary provision has been made therefor.

Medical and Ayurveda.—Government have accepted as their policy the simultaneous development of the allopathic and ayurvedic systems of treatment so that both systems may be available for the people according to their likes and needs. The expenditure under 'medicine' which was only Rs. 3·42 lakhs in 1101 (including Sanitation and Conservancy) is estimated for the coming year at Rs. 4·88 lakhs excluding Public Health (the old Sanitation and Conservancy) which is separately estimated at Rs. 1·57 lakhs thus making a grand total of Rs. 6·45 lakhs—twice that incurred ten years ago. This does not take into account the expenditure of Rs. 19,600 estimated under 'Ayurveda' proper and of Rs. 17,000 provided for the ayurvedic vaidyasalas under Panchayats nor does it include the large outlay on buildings and repairs spent every year for the construction and maintenance of buildings for hospitals and dispensaries. I trust that no more conclusive proof is required to show the abiding interest taken by the Government in making available within easy reach almost all kinds of medical aid even to the lowliest of their people.

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For the next year, a fully developed Hospital will replace the existing dispensary at Mattancheri and the necessary complement of staff consisting of nurses, compounders, servants and clerks have been included in the estimate. Most of the hospitals and dispensaries in the State have been provided with additional accommodation, lying-in wards, operation theatres, etc., out of the special grant for medical relief granted in commemoration of H. E. the Viceroy's visit. Out of this grant, an expenditure of Rs. 1·72 lakhs would have been incurred till the end of the current year and a sum of Rs. 35,000 is provided for the coming year. Larger provision is made under 'Dietary charges', 'Bedding and Clothing', etc., to meet the growing needs of the hospitals. A provision of Rs. 5,000 has been made (under Miscellaneous) for payment of a contribution to the Madanapalli Tuberculosis Sanatorium to ensure admission of an adequate number of Cochin patients there. In furtherance of the compaign for leprosy relief, an Assistant Surgeon who has been got duly trained has been drafted from the regular line for this sole purpose and adequate provision has been made for meeting the various items of expenditure in the leper clinics to be attached to hospitals. The usual contribution to the Adur Leper Hospital is continued.

The opening of a radium institute which is no more a luxury in a modern State is also proposed, but to be financed from 'His Majesty King George's Silver Jubilee Fund'.

'Ayurveda' too has been similarly given further encouragement by the appointment of a full-time officer to look after it and making additional provisions to meet the growing requirements of the department like the strengthening of the nursing staff, supply of Medicines to Panchayat vaidyasalas, etc.

Stationery and Printing.—To cope with the increase of work in the Government Press one more printing machine has been purchased for handling which a machine-minder and a layer-on are proposed to be entertained. The establishment also is proposed to be strengthened by a clerk and an attender for the coming year. Provision has been made for re-printing the old law reports.

Public Works.—The budget estimate has been fixed at Rs. 12,95,300 more or less the same as the revised estimate of the current year. For the development of communications in the State according to the order of urgency, utility and importance on a definite plan, the existing Road Board has been reconstituted and a fixed contribution of one lakh of rupees

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each year is proposed to be set apart from general revenues to the Board which is to form itself into a Road Board Fund, the grant being non-lapsable, so that the savings in any year may be utilised in subsequent years. The fund is also reinforced by a further contribution every year to the extent of Rs. 25,000 from the State's share of the Government of India Petrol Duty Fund.

Another distinguishing feature of the budget programme for the coming year is the lump provision made for Palace Works viz., Rs. 45,000.

Other more important of the special provisions which require notice are the provision of Rs. 1,70,000 for the purchase of a house in New Delhi for the use of His Highness the Maharaja and that of Rs. 1,00,000 for acquisition of lands under a scheme of slum clearance in the Ernakulam town and for construction thereon of police lines, band barracks and a guest house to accommodate the more distinguished of His Highness the Maharaja's guests. It may be mentioned here incidentally that the Delhi House, apart from its necessity, is a substantial purchase for the price paid, having regard also to its location in the Imperial Capital.

Under Mechanical and Electrical Engineering the usual provisions have been made for the continuance of the various water supply schemes including supply to littoral areas.

Scientific, etc., Departments.—As explained elsewhere, details of the estimates of receipts and expenditure on account of the minor head 'Stone-ware Factory' appear separately. The working expenses of the factory which were hitherto being shown as ordinary charges under the head will henceforth be booked under 'Advances' and the capital expenditure under the head 'Capital Outlay.' Only the net loss, if any, is charged to general revenues; but, as in the year under reference the transactions are estimated to result in profits, it appears on the receipt side. Another new feature of the budget estimate of this department for the coming year is the provision of Rs. 4,000 under 'Archaeology' for an 'Art Gallery' by copying mural paintings. The old Mattancheri Palace has assumed a very important role with the large influx of numerous visitors consequent on the development of the Harbour and the increasing contact of the State with other parts of India and outside and hence it has been proposed to publish a 'Guide to Mattancheri Palace' for which a provision of Rs. 500 occurs under 'Archaeology—Publication.' For the same reason, a provision of Rs. 800 has

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been made under 'Museum' for the purchase of specimen models of Kathakali characters.

Uplift of the Depressed Classes continues to receive the usual attention. Adequate provisions have been made towards the further development of the schemes of water supply, colonies, special stipends, feeding and other activities of the department for promoting the welfare of the depressed classes.

Income-tax.—The department was re-organised in the course of the year and placed under a separate head of department. This accounts for the slight increase of expenditure under the head, the re-organisation having been found desirable in view of the department being a revenue-yielding one.

Miscellaneous.—Only the usual provisions have been made under the several minor heads which constitute this major head of account except under 'Subscriptions and Donations' and 'Contribution to Cranganur establishment charges'. Under the former head has been provided a sum of Rs. 10,000 being an instalment of the amount to be refunded to the Namburi Vidyalayam Committee, of which mention used to be made in the previous budgets. It may be observed here that in previous years this amount was debited to and provided for under the Education budget though the correct head of debit should have been 'Miscellaneous' to which it is now proposed to be debited, being a refund of an unclassified revenue.

Advances.—Provision has been made for the grant of advances for agricultural improvements to the extent usually necessary. In regard again to agricultural indebtedness, it may be remembered that no time was lost in organising the Land Mortgage Bank and the publication of the Regulation and Bye-laws after the special loan operations ceased. Provision has been made under 'Advances' both in the current year and the next for the grant of loan to the bank at 3 per cent interest up to the extent of Rs. 3 lakhs in any one period, when the amount is to be repaid by the bank by raising debentures.

CAPITAL OUTLAY.

9. Having done with the heads of ordinary expenditure charged to revenue, I shall deal with the heavy programme of Capital Outlay not charged to revenues amounting to Rs. 33·52 lakhs which we propose to incur in the coming year. Leaving aside Rs. 500 which may be required for making minor improvements to the Stoneware Factory, we come to 'Railway

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